



LeRay McAllister Critical Land Conservation Fund

Eligibility Requirements for Grants and Loans and Evaluation Criteria

The Utah Quality Growth Commission (the Commission) was appointed by Governor Leavitt in April, 1999 under the authority of the Quality Growth Act of 1999. One of the responsibilities of the Commission is to administer the LeRay McAllister Critical Land Conservation Fund (the Fund). The Fund was created to preserve and restore critical open lands and agricultural lands in Utah. The Commission may authorize grants or loans based on the requirements of the Quality Growth Act of 1999 and criteria established by the Commission.

I. Definitions

"Local entity" means a county, city, or town.

"Open land" means land that is preserved in or restored to a predominantly natural, open, and undeveloped condition; and used for:

- Wildlife habitat
- Cultural or recreational use
- Watershed protection
- Another use consistent with the preservation of the land in or restoration of the Land to a predominantly natural, open, and undeveloped condition.

"Open land" does not include land whose predominant use is as a developed facility for active recreational activities, including baseball, tennis, soccer, golf, or other sporting or similar activity.

The condition of land does not change from a natural, open, and undeveloped condition because of the development or presence on the land of facilities, including trails, waterways, and grassy areas, that:

- Enhance the natural, scenic, or aesthetic qualities of the land; or
- Facilitate the public's access to or use of the land for the enjoyment of its natural, scenic, or aesthetic qualities and for compatible recreational activities.

"Agricultural Land" means land devoted to the raising of useful plants and animals with a reasonable expectation of profit, including:

- Forages and sod crops
- Grains and feed crops
- Livestock
- Trees and fruits
- Vegetables, nursery, floral, and ornamental stock
- Land devoted to and meeting the requirements and qualifications for payments or other compensation under a crop-land retirement program with an agency of the state or federal government

"Affordable housing" means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the applicable municipal or county statistical area for households of the same size.

II. Eligible Applicants

A local entity, the Utah Department of Natural Resources, the Utah Department of Agriculture and Food, and charitable organizations that qualify as tax exempt under Section 501 (c)(3) of the Internal Revenue Code may apply for funds.

III. Funding Awards

Loans or grants may be awarded. There is no specific limit on amounts that may be requested. However, funds are limited and the application process is competitive. The Commission must consider the number of actual and potential applications for financial assistance and the amount of money sought by those applications. *Applicants must provide matching funds equal to or greater than the amount of money received from the Fund.*

IV. Use of Funds

All money from the fund must be used to preserve or restore open lands and agricultural lands. *Each interest in real property purchased with money from the Fund, whether fee title or an easement, must be held and administered by the state, a county, a city or a town.* A fee interest in real property may be purchased ONLY IF the parcel is no more than 20 acres in size. In counties where 50% or more of the total land mass is publicly owned, a parcel of similar size must be contemporaneously transferred to private ownership from the governmental entity that purchased the fee interest.

V. Application Requirements

- ★ ALL APPLICANTS MUST SUBMIT A COMPLETED APPLICATION COVER SHEET AND SUPPORTING DOCUMENTATION, INCLUDING:

APPRAISAL

CONSERVATION EASEMENT (IF AVAILABLE)

SITE MAP

LETTERS AND RESOLUTIONS OF SUPPORT FROM LOCAL GOVERNMENTS

UPDATE OF THE INFORMATION PROVIDED ON THE PRE-APPLICATION FORM

PHASE ONE ENVIRONMENTAL ASSESSMENT (IF ONE HAS NOT BEEN DONE, IT WILL BE REQUIRED BEFORE FUNDING)

IRS LETTER (IF APPLICANT IS A 501(C)(3) ORGANIZATION)

- ★ ALL APPLICATIONS MUST INCLUDE A PROJECT TIME LINE
- ★ ALL APPLICATIONS MUST INCLUDE A PROJECT BUDGET SHOWING COSTS OF ACQUISITION, RESTORATION AND LONG-TERM PRESERVATION
- ★ APPLICANTS MUST ALSO SUBMIT A PROJECT NARRATIVE OF *NO MORE THAN 10 PAGES* ADDRESSING THE EVALUATION CRITERIA OF THE QUALITY GROWTH COMMISSION AS DESCRIBED IN PART VII

VI. Quality Growth Act Requirements

The Quality Growth Act established the following criteria that the Quality Growth Commission must consider when reviewing applications:

- If the assistance is in the form of a loan, the ability of the borrower to repay the loan*
- The nature and amount of open land/agricultural land proposed to be preserved or restored*
- The qualities of the open land/agricultural land proposed to be preserved or restored*
- The cost effectiveness of the project to preserve or restore open land or agricultural land*
- The amount of funds available
- The number of actual and potential applications for financial assistance and the amount of money sought by those applications
- The open land preservation plan of the local entity (county, city or town) where the project is located and the priority placed on the project by that local entity*
- The effects of the project on housing affordability and diversity*
- Whether the project protects against the loss of private property ownership.*

*These criteria must be addressed by the applicant and are described in Part VIII.

VII. Evaluation Criteria (Project Narrative)

The Commission has established the following priorities for the evaluation of applications (Not necessarily in order):

- Local support for the project and compliance with the community's general plan
- Projects with participation of multiple Partners
- Projects serving multiple purposes
- High quality projects; i.e., land of exemplary natural or agricultural value
- The amount of financial leveraging and cost effectiveness of the proposal
- The longevity of the preservation
- The assurance for long term monitoring and maintenance of the land

Each of the application criterion will be rated on one or more of the above priorities.

★ APPLICANTS MUST SUBMIT A PROJECT NARRATIVE OF *NO MORE THAN 10 PAGES* ADDRESSING THE EVALUATION CRITERIA OF THE QUALITY GROWTH COMMISSION AS DESCRIBED BELOW:

Criterion 1. If the assistance is in the form of a loan, the borrower's ability to repay the loan.

Applicants should demonstrate an ability to repay the loan, by submitting a written financial history of the party responsible for repayment, and clearly explaining where/how the money will be obtained. The loan terms are negotiable. The application should state a proposed rate and repayment schedule. Collateral for the loan will generally be the title of the conservation easement or land purchased with loan funds.

Priority - The amount of financial leveraging and cost effectiveness of the proposal

Criterion 2. The nature and amount of open land/agricultural land proposed to be preserved or restored.

To be eligible for funding, proposed projects must preserve or restore open land/agricultural land. Applicants should demonstrate that the nature of the open land/agricultural land in their project is consistent with the definition of open land and agricultural land in the Quality Growth Act.

In addition to addressing the nature of the land, the Quality Growth Commission will consider the amount of land to be preserved. This does not mean that large tracts of land will automatically

receive priority over smaller parcels, rather, that applicants must demonstrate that their project size maximizes the open land/agricultural land qualities of the land to be preserved or restored.

- Priorities**
- Projects serving multiple purposes
 - High quality projects; i.e., land of exemplary natural or agricultural value
 - The amount of financial leveraging and cost effectiveness of the proposal

Criterion 3. The qualities of the open land/agricultural land proposed to be preserved or restored

Applicants should indicate the most important conservation aspects of their project, and how it applies to the open land/agricultural land definitions in the Quality Growth Act. When summarizing the property, applicants should state:

- the significance of the property; what is unique and irreplaceable about the property
- the potential for development of the property; the urgency of development in the area
- the importance of the property to the region and state; what the public benefit will be
- why the parcel needs to be protected; why the State should fund the project

For example, the most significant aspect of the project may be that it protects land inhabited by an endangered wildlife species. If the land is allowed to be developed, the region will lose a valuable resource etc.. If more than one aspect of the project applies to the definitions, then they should be listed in order of importance.

- Priorities**
- High quality projects; i.e., land of exemplary natural or agricultural value
 - The longevity of the preservation
 - The assurance for long term monitoring and maintenance of the land

Criterion 4. The cost effectiveness of the project to preserve or restore open land/agricultural land

Although there is no limit on the amount of money which an applicant can apply for, the Quality Growth Commission must consider the amount of funds available. Requests for Fund money cannot exceed 50% of the total cost of the project.

The cost effectiveness of a project will be evaluated based on:

- The ability of the applicant to complete the project
- Matching funds from other sources
- Fair market price
- Project endowments

When considering applications, the Quality Growth Commission will address the ability of the applicant and its partners to complete financing of the project and repay the loans (if applicable) in a timely and efficient manner. This will require that the applicant demonstrate a familiarity with the process of negotiation and finalization of conservation easements, purchases of land and other land preservation techniques, or partner with an individual or organization that has experience in this field. The applicant should provide a summary of specific transactions previously completed and information about its or its partners' expertise and experience in finalizing projects of this nature.

A full description project financing must be provided. The Quality Growth Commission will not participate in a land purchase, or a purchase of a conservation easement that is over fair market value. The determination of fair market value will be based on the results of a qualified land appraisal.

Priority will be given to those applications that include in the project budget an endowment to be used for monitoring, management and possible enforcement of the terms of the easement (endowments should range between approximately 5-10% of the cost of the easement).

- Priorities**
- The amount of financial leveraging and cost effectiveness of the proposal
 - Projects with participation of multiple Partners
 - The longevity of the preservation
 - The assurance for long term monitoring and maintenance of the land

Criterion 5. The open land preservation plan of the local entity where the project is located and the priority placed on the project by that local entity

The Quality Growth Act requires that all easements purchased with money from the Fund be held by a government entity. Because of this, it is important that the entity responsible for holding the easement a plan addressing its intentions with regards to the preservation and management of the open land/agricultural land project. An open land/agricultural land preservation plan should:

- State the significance of the land
- Detail the ecological values of the land
- Describe the impact of protecting this parcel on surrounding parcels
- Identify future plans for connecting the parcel with other significant parcels
- Describe service that parcel will provide community/region

An open land preservation plan will identify what significance the land has to the community as a whole and be consistent with the community's general plan. Open land preservation plans address the urgency of the project. Urgency may be related to purchasing property before development pressure increases land values or before the land is acquired for development. The open land preservation plan should justify the entities's proposal by documenting the various benefits of the acquisition such as wetlands, stream or habitat corridors, urban open land, regional benefits, ties to adjacent parcels to create a larger preserve, viability for continued agricultural use, etc. Open land

preservation plans must include a detailed long term management plan for the property to be preserved. This includes who will manage the property, how the management will be funded, periodic inspection and reporting to the Commission.

- Priorities** - Local support for the project and compliance with the community's general plan
- The assurance for long term monitoring and maintenance of the land

Criterion 6. The effects of the project on housing affordability and diversity

Concerns regarding the affordability and diversity of housing opportunities are common when entities or organizations attempt to preserve open land/agricultural land. Land preservation efforts may unintentionally have the effect of increasing the property values of surrounding parcels, thereby eliminating persons with lower income levels from the area's housing market. Applicants should discuss whether or not the project for which they are seeking funds would impact the cost and diversity of housing opportunities for persons living in the community where the project is located.

- Priority** - Local support for the project and compliance with the community's general plan

Criterion 7. Whether the project protects against the loss of private property ownership.

In addition to the limitations on purchase of fee title with money from the Fund as described in Part IV, applicants should provide an analysis of any effects the project may have on the loss of private property ownership.

- Priority** - Local support for the project and compliance with the community's general plan

VIII. Application Deadline

The application deadline is **April 20, 2000**. The Commission will meet on June 14 to review applications and make preliminary allocations of funding awards. SUBSEQUENT REQUIREMENTS FOR EACH APPLICANT MUST BE COMPLETED PRIOR TO ISSUANCE OF FUNDS.

Some funds may be reserved for urgent requests. Applications for urgent requests can be made at any time and will be reviewed by the commission as necessary.

IX. Award of Funds

Funds will be issued to successful applicants when actually needed. For example, if the project involves the purchase of land or a conservation easement, funds will be issued on the closing date.